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Generative AI, Data and the Future of Talent



Introduction

Every person has a journey. Every company has a journey. Understanding how those journeys intersect and inform one another is both a data problem and a human challenge. Artificial intelligence (AI) offers a powerful accelerator to solving the data problem. The next wave of workforce innovation and business success will come from the HR leaders who address the human challenge.

AI makes it possible to connect the dots between millions, billions, even trillions of data points and discover patterns, connections, and insights to inform decision making. Generative AI provides conversational access to deep learning that can generate the next most logical text when prompted. It is now possible to ask AI for help the way you would ask a colleague or an expert (who has memorized all the world's digital information).

Generative AI is the biggest disruption to business since the internet. Companies will be required to take a stand about its use for work purposes, and develop policies to mitigate risks, protect privacy, and use data responsibly and in an explainable way.

Some HR leaders will sit back and hope for this technology trend to pass. Others will seize the moment and define the future of work and the workplace. Rest assured that millions of people are not waiting for direction. They are already using AI to get their work done. This next wave of AI has fundamental implications for the talent lifecycle and how it is managed from search to hire to retire.

This guide is designed to help HR and talent leaders understand:

- Why AI can no longer be ignored
- What makes GenAI and LLMs so disruptive
- Where AI can go wrong
- How to evaluate data and LLMs for adoption

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The journey is hidden in the data

Every person in the modern job market has a journey and leaves a digital footprint of where they've been. There are job titles, promotions, certifications and degrees. There are code commits, patents, publications, and social posts. A person has a location, a language, and a network of connections plus countless other hard and soft skills that can be discovered or inferred.

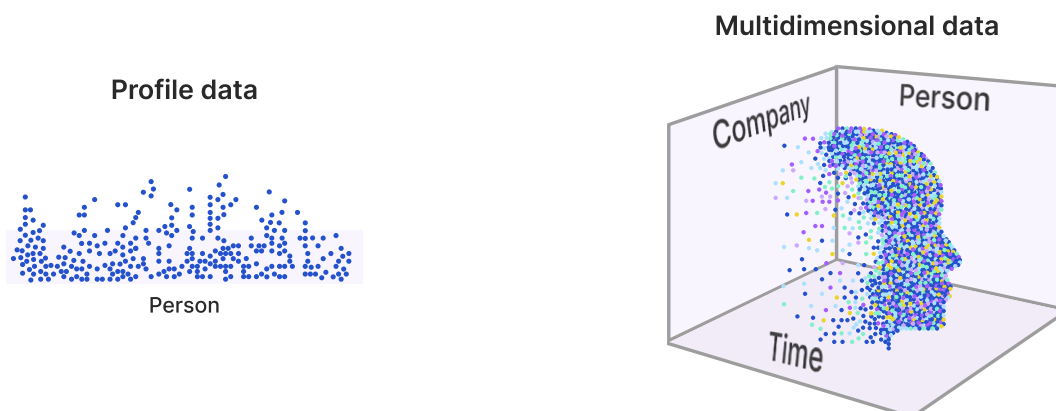
Companies also have a journey. There are funding rounds, IPOs, and financial filings documenting the growth and performance of the business. There is competitive context within an industry or a category of companies. There are org charts, job descriptions, leadership profiles, and company reviews. All of this data can be used to chart a company's progress and organizational development.

Traditionally, a job application, a resume, and a cover letter combined to offer a single window into a person's journey before a screening or an interview. A recruiter had to dig deep to map and verify an individual journey against every

company journey they claim to be part of. Today, both journeys are captured in thousands of data points, spread across public and private systems. As a human activity, there is a limit to how much time and how much data can be analyzed and at what level. Any task that requires validation and deeper research takes time and effort, slowing down processes and introducing the possibility of error and bias. As a result, most talent decisions are made on the basis of a narrow, one dimensional slice of person and company data.

Findem has built a foundational BI platform to represent people in 3 dimensions: person and company data over time. This 3D data schema is able to represent a person by converting any resume into a massively enriched profile, making entire careers searchable on command through a GenAI interface. This BI first, AI assisted approach eliminates assumptions and uncertainties, presenting an individual's career in a factual and clear manner.

3D data offers a holistic view of people



How AI has become part of the workflow

The ability to ask questions where a user can verify intent is where AI is truly transformative for HR. AI can analyze massive amounts of data and identify connections that can be validated when the appropriate guardrails are in place. Generative AI democratizes access to the data.

Findem's new generative AI capabilities make it simple to "ask Findem" questions like 'What is the availability of talent with these skills in this location? Which schools produce the most skills most relevant to this role? Who builds diverse teams?' And 'add actionable insights to our recruiter scorecards.' These are the kinds of questions our business leaders need to answer to drive our business forward and Findem has the data."

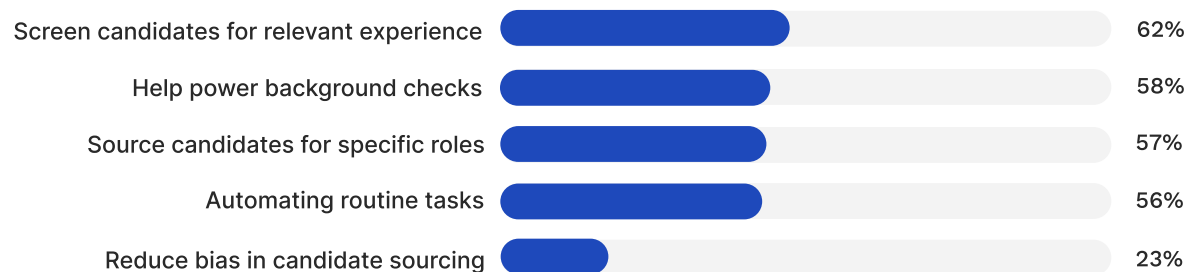
Medallia Tey Scott
Senior Vice President of Global Talent Acquisition

Artificial intelligence (AI) uses computers to apply problem-solving and decision making to specific tasks and processes, often done at a scale and speed that would not be possible by individual human beings.

about how they used AI. Even then, 4 out of 5 HR leaders said that they used AI-powered tools. This may be as simple as a chatbot on a careers page, an automated interview scheduler, or for sourcing.

In November 2022, just before OpenAI released ChatGPT into the world, Findem conducted a survey of 300 talent leaders in the U.S, to ask

For those using AI already, what are the use cases in the hiring and recruiting process?



Source: Findem and KarmaCheck, State of Hiring and Recruiting Survey, November 2022.

About two-thirds of respondents found that the AI-enabled tools they are using have helped with efficiency by improving sourcing (65%), expanding their team's reach without adding to it (65%), and speeding up the hiring process (62%). But the true promise of AI to automate tasks only benefited 19% of respondents.

The survey also found bias to be a polarizing issue with 43% saying that AI decreases bias in the hiring process and 42% saying the opposite, that AI increases bias. The truth is both answers are correct. There is the potential to reduce bias or amplify it, depending on what data is used to train the model, how humans are involved in curating and annotating the data to correct for bias, and what processes are automated.

Regulations have begun to take shape with New York State's 2023 law governing the use of AI in hiring and promotion decisions. According to Findem's survey of talent leaders, 91% of VP level and above leaders agree that there should be regulations of when and how AI is used in recruiting.

ChatGPT became wildly popular because it provided an incredibly simple way to leverage data available on the Internet to generate text. ChatGPT gives a pretty good response to the request: "Write a job description for a software engineer with 5 years of experience in iOS ecommerce app development." The same request put to a traditional Google search would return a ranked list of job descriptions created by others with the most relevant at the top.

It's a great starting place for an inexperienced hiring manager. A more experienced user might enter a job description to request improvement: "As a recruiter, check this job description for inclusive language or make this job description specific to engineers with Python experience."

This is just one example of the multitude of uses for ChatGPT and why it's probably being used by people somewhere in every company today. Let's take a deeper dive into what it means.

What tomorrow's apps will look like

Thanks to ChatGPT, large language models (LLMs) have become part of the software development toolbox. The next wave of business applications will take on a new level of sophistication while becoming more intuitive and simpler to use. How does AI contribute to this transition?

LLMs have become supremely competent language models. The LLM has the ability to capture, understand, and communicate the intent of the user in a way that a machine can evaluate. The LLM can then be used as a generative model, to anticipate what comes next.

Natural language processing is used today in everyday applications – from messaging apps to documents to search. (Google docs just inserted “applications” into this sentence as it was typed!) ChatGPT showed that an LLM could be trained on a massive dataset and reliably engage in conversation, allowing the user to refine their intent and produce sophisticated long form results. The more these models are used, the faster they learn.

The next wave of modern application platforms will be built to use what is being said or done to generate what is needed. What will differentiate vendors is the data and system of intelligence used to process it. A platform’s ability to use intent not just to scale and speed up creation, but to create something more relevant and useful will become its core differentiator. How AI understands intent and what AI generates in response will depend on the data used to train the model.

“Autonomous applications can offer a whole new level of dynamic, optimized and, yes, delightful experiences geared to the specific needs of customers, employees, and business partners. Obsession with experience will be pervasive in the world of AI-first businesses, and will help transform the nature of work itself.”

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Why the data used to train LLMs matters

LLMs are trained on data and, in HR, there must be caution about decision-making using simplistic AI.

One of the most concerning consequences of LLMs and generative AI in the wild is the lack of control over the data being used. ChatGPT will generate an answer to a request. But how do you apply a confidence score to the answer?

The AI is precise and authoritative in its generated answer. But there is a risk of hallucination when the AI extrapolates information vs enriches information. This is sometimes called a hallucination or a confabulation, and it is particularly concerning when it comes to decisions about people.

Modern LLMs will invent information if they are not trained on the data they need to answer a question. The task of leveraging the capability of the LLM to interpret language is the work of the middleware that provides the data to train the model.

To use AI for decision making, there has to be confidence. Simplistic data or data that is wrong or biased will throw off the model. The only way to have confidence in the AI is to have a depth and breadth of data you can trust to train the model. But even then, the approach can go completely wrong because the data needed for the decision may not be the data on which the AI was trained.

The other risk factor with GenAI tools is how data is handled. Stories have already appeared of performance reviews sent to GenAI with PII, a contract summary request exposing intellectual property, and more.

Talent teams need to be educated that ChatGPT and other LLMs are not private. Any data they type into the interface may be used for training and that is a security concern and risk that companies should take seriously. HR and IT will quickly need to set appropriate rules and vet software based on how AI is used as well as data controls.

People deserve assurance that decisions have been made on the right set of information with the right set of interpretations, and that AI is

used in a very controlled way. At this stage in the development of AI, HR applications should use LLMs to capture intent and gradually build out a framework with a focus on accuracy. Ensuring that the data is being accurately interpreted is of the utmost importance.

Carefully curated middleware with guardrails (where a human verifies intent) and auditable, explainable AI and the ability to anonymize and control data will make these interactions trustworthy. Platforms will also differentiate by how they integrate and add value to LLMs such as ChatGPT, Bard, or Bing Chat.

“Findem’s approach to generative AI is the most forward-looking that I’ve seen. They’ve actually embedded real-world talent acquisition requirements into the platform and leveraged generative AI into the workflow, whereas others have made it a mere bolt-on. These new AI capabilities are going to allow us to speed up our workflows, cut the time we’ve been spending on manual tasks and open up space for us to innovate across talent acquisition and management in ways that will set us far apart from the competition. It’s a monumental move in transforming the talent tech stack as we know it today.”

INTUITIVE Brad Cook
Global Vice President of Talent Acquisition

Findem might fill in the dots to understand the question (which can be verified by the asker), but does not fill in the dots to generate results. Without this separation, the machine will run with what it assumes to be true and the user will be making decisions based on data that may or

may not be true. The opportunity for validation and revalidation is an essential, foundational framework for any AI tools considered for use in the HR tech stack.

Bringing AI into your business

AI should not change the fundamental structure for how decisions are made, it should be used to provide intelligence for improving the decision making process. First, HR leaders will need to make sure that they work from the most current data. Then, it will be important to consider both internal and external data. Finally, it is necessary to give the data context that can be validated and confirmed by the user.

AI levels up the recruiter role

Recruiters in the AI-based, modern talent ecosystem will have a much more strategic role with more of the manual parts of the job automated. Every job has a checklist: tasks that take time but are essentially a habit, performed the same way every time. AI can help automate and standardize habits to give recruiters back more time.

It will be imperative for recruiters to develop relationships with the top talent they seek to attract.

How job seekers will benefit

Access to information will be homogenized for job seekers as well as job owners. Just as recruiters might use an LLM to find candidates, candidates will use LLMs to learn about companies, teams, and roles.

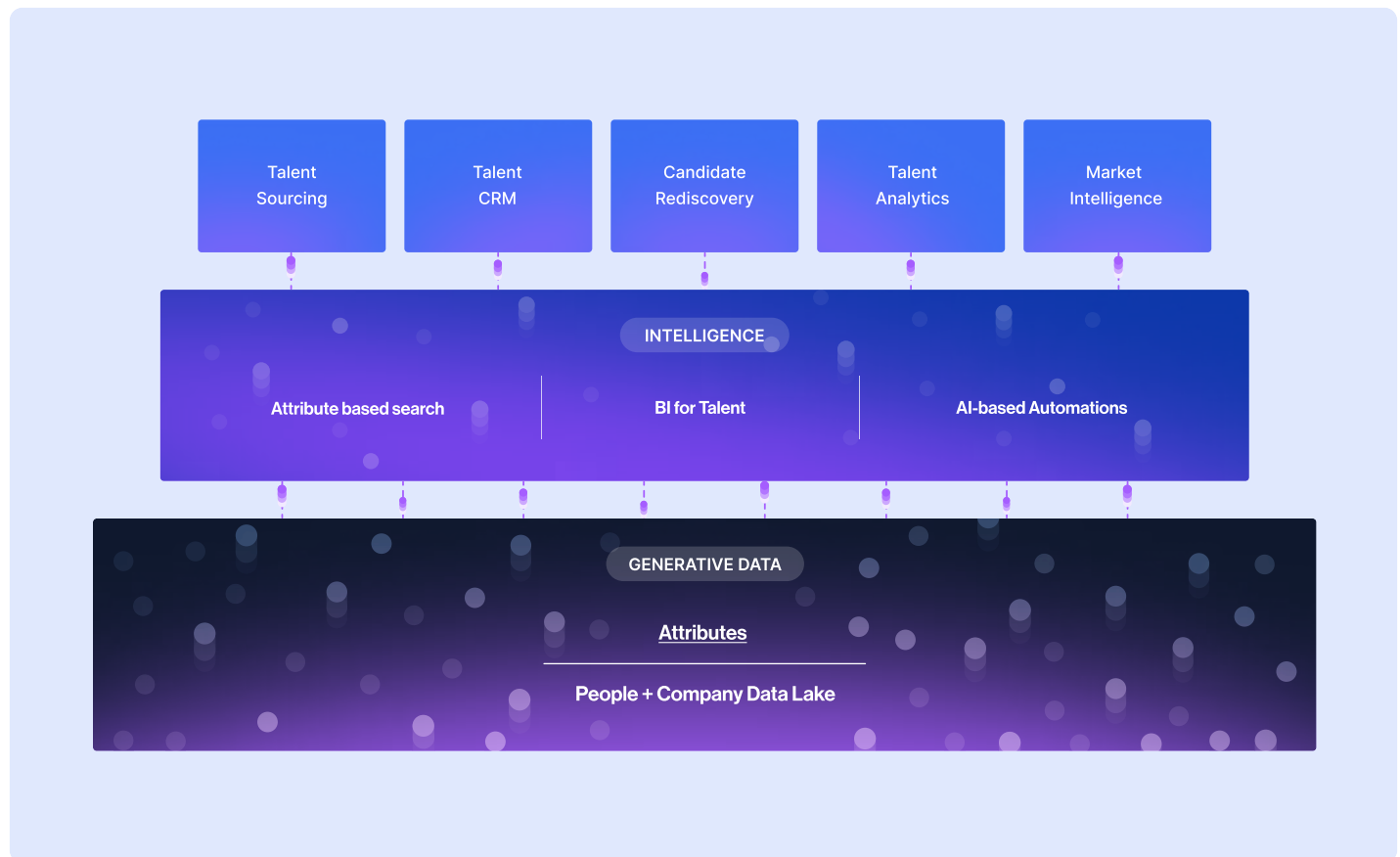
It will become more difficult to hide from bad candidate and employee experiences. Employer branding will have to be authentic and substantiated.

Through out my career, teams I've led and been a part of have struggled to answer the question, 'how do I know this person will be successful in our organization?' I'm excited about the combination of attributes in the Talent Data Cloud and the ability to query the skills of the team and candidates to begin to understand how to answer these essential questions."

Andrew Carges
Vice President, Global Talent Acquisition

Building a responsible AI architecture

Findem dynamically and continuously leverages a language model to generate unique talent data from hundreds of thousands of data sources that are time ordered. That 3D data uncovers insights and makes connections that can be verified. Billions of data points become more than 1 million attributes to form the data layer of Findem's Talent Data Cloud.



The intelligence layer of the Findem architecture makes this data accessible in 3 distinct ways:

- Attribute search uses natural language processing to understand the intent of a search, so a search for CFO would include chief financial officer as well.
- Business intelligence applies analytics to massive amounts of internal and external data for deep understanding of competitive and company workforces.
- AI-based automations streamline workflows and simplify access so people can focus more on making decisions, engaging talent, and bringing more value.

The Findem architecture separates the activities of interpreting intent and queries from the generation of data which is verifiable and factual. Having the language model and intent separate from the service gives users in the middle the opportunity to confirm, reconfirm, and validate the results.

This 3D data combined with human insight can be used to provide transformative services to HR organizations. The benefits of this architecture include being able to understand:

- **Career Progression:** Understand how employees have advanced in their roles, and the types of companies they have worked for
- **Industry Expertise:** Evaluate the depth of a candidate's knowledge, their industry expertise and potential value in specific contexts
- **Skill Development:** Track a candidate's skill development over time.
- **Adaptability and Flexibility:** Assess a candidate's ability to adapt to different environments and versatility of their skills in different contexts
- **Impact and Achievements:** See if a candidate has played a crucial role in driving company growth, leading successful projects, or receiving promotions

"Findem's platform is a Recruiter Intelligence platform. It provides the data that previously required teams of researchers to uncover and makes the Recruiter the most "talent intelligent" person in any conversation with business leaders."



Amplitude

Phil Haynes
Head of Global Talent Acquisition

Findem as a company, strictly adheres to all regional privacy regulations. We source data only from publicly available datasets. If a candidate decides to set any portion of their data to

private, this change will be updated in the Findem system. Moreover, individuals can review and remove their information in accordance with our privacy policy.

The future of talent will be with AI

Generative AI is disruptive because it radically simplifies access to data for decision making, and centering decisions on data is the only way to eliminate bias and ensure that decisions are right. But the AI can only be used to achieve this goal if the core data asset has the highest level of confidence possible.

The whole talent ecosystem will be one of the areas most changed by AI. Talent has trailed most other departments in the business in terms of digital transformation. Most talent organizations and technologies are characterized by manual processes, siloed or disjointed tools, and static, point-in-time data and analytics.

Initially, AI will be used to automate existing workflows and processes. But as talent teams gain back time, they will begin to innovate and expand the value they bring to the business. The talent organization will become more agile and strategic. As manual work is done faster and more efficiently by AI and automation, the roles on the talent team will become higher value and more flexible. AI-first applications will begin to emerge in partnership with the most innovative talent teams and vendors.

New developments in AI have the potential to bring talent teams to the head of the pack with the rapid development of applications that automate as much as possible. These new apps will learn continuously and provide people with the insights and context they need to do every part of their job faster, better, and with less bias. Talent leaders will provide more strategic insight and support for workforce planning to support business growth.

Findem is a pioneer in bringing deeply embedded AI into talent. It is only when AI has been integrated throughout the talent function that it can deliver the fullest combination of efficiency and value needed to fuel the business.

About Findem

Findem's Talent Data Cloud enables organizations to build and evolve their workforce with unmatched precision, objectivity, and efficiency. It's the only AI talent acquisition and management solution that generates dynamic, multidimensional talent data called attributes to deliver the most advanced talent intelligence. Findem customers are unlocking actionable insights at every stage of the talent lifecycle and transforming how they plan, hire, and manage talent.

Ask questions only Findem can answer.

Request a demo at www.findem.ai